

## MESSAGE

FROM THE

# PRESIDENT OF THE UNITED STATES,

COMMUNICATING,

*In compliance with a resolution of the Senate of the 19th of December last, correspondence relating to the subject of international coinage.*

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JANUARY 11, 1872.—Read, referred to the Committee on Finance, and ordered to be printed.

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*To the Senate :*

In answer to the resolution of the Senate of the 19th of December last, calling for certain correspondence relating to the subject of international coinage not heretofore furnished, I transmit herewith a report from the Secretary of State, with the papers which accompanied it.

U. S. GRANT.

WASHINGTON, *January 9, 1872.*

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DEPARTMENT OF STATE,

*Washington, January 9, 1872.*

The Secretary of State, to whom was referred the resolution of the Senate requesting the President, if not incompatible with the public interests, to communicate to the Senate any correspondence with foreign powers not heretofore communicated on the subject of international coinage, has the honor to lay before the President the papers mentioned in the subjoined list.

HAMILTON FISH.

The PRESIDENT.

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### *List of accompanying papers.*

Mr. Andrews to Mr. Fish, No. 71, November 25, 1870.

Mr. Andrews to Mr. Leijonhuford, July 2, 1870.

Report of a commission appointed by the Swedish government on the adoption of a new system of coinage. (Extract.)

Memorandum of references to correspondence heretofore submitted to Congress.

*Mr. Andrews to Mr. Fish.*

No. 71.]

LEGATION OF THE UNITED STATES,  
*Stockholm, November 25, 1870. (Received December 12.)*

SIR: As instructed in your No. 27, of June 13, on the subject of promoting a common unit and standard of an international gold coinage, I, on the 2d of July, delivered copies of that communication and inclosures to the then acting minister of foreign affairs, with a note, a copy of which is inclosed.

At that time the Swedish commission on coinage, which I mentioned in my No. 30, of December 6, 1869, was in session, and a copy of your communication was laid before it by the Foreign Office. I had unofficially in March last brought to the notice of some member of the commission the resolution of the Senate requesting the President to invite correspondence on the subject.

The commission made their report in printed form a few weeks ago, and on the 14th instant, in an interview which I had with the minister for foreign affairs, Count Wachtmeister, he expressed the opinion that his government would recommend to the Diet the adoption of the proposition of the commission; that as it was a constitutional question requiring the action of two different Diets, it might not be thought best to recommend it to the present Diet till its session of 1872, but that if it was concluded to recommend it at the approaching session, (which meets in January next,) such conclusion would doubtless be arrived at in the next month, and that he would then send to me an answer to my communication of the 2d July, and at the same time transmit to me a copy of the printed report of the commission.

The report of the commission makes an octavo volume of about 300 pages; and as it contains some discussion of the matter in your communication of June 13, and of some of the propositions introduced into the Congress of the United States, I have thought it best to transmit to you at the present time, as I now have the honor to do, a translation of such passages of it as I think will be most interesting to the Department, including, of course, the modifications which the commission recommend as to the system of coinage in Sweden.

I have the honor to be, very respectfully, your obedient servant,  
C. C. ANDREWS.

Hon. HAMILTON FISH,  
*Secretary of State, Washington.*

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*Mr. Andrews to Mr. Leijonhuford.*

LEGATION OF THE UNITED STATES,  
*Stockholm, July 2, 1870.*

SIR: By direction of my Government I have the honor herewith to hand you two printed copies of a communication (with inclosures annexed) from the Department of State of the United States, of June 13, 1870, on the subject of promoting a common unit and standard of an international gold coinage, and wherein His Swedish and Norwegian Majesty's government is respectfully invited to consider if it is not practicable "to arrive at an assimilation of coinage which will secure many of the advantages that can be obtained without a uniform system of weights and measures, and which may lead hereafter to complete



unification," and "to express its views upon the subject of a common unit and standard of an international gold coinage, with a view of promoting its adoption."

The President having instituted correspondence on this subject at the request of the Senate, he will, I am advised, deem it his duty to transmit to that body any communication which your government shall be pleased to make in regard to the same.

I have the honor to be, sir, with great respect, your obedient servant,

C. C. ANDREWS.

His Excellency B. A. LEIJONHUFORD,

*Minister of State ad interim for Foreign Affairs.*

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*Report of a commission appointed by the Swedish government on the adoption of a new system of coinage.*

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Some time ago it seems that the question about a universal coinage met with a lively interest in the United of America. The inconvenience of a double standard of valuation had there, as everywhere, been felt, and in 1853 the Government had been obliged to change materially a law concerning the coinage which had then existed for sixteen years. Some years later they seemed not averse to a thorough reform, in order to adjust the monetary system and place it on a larger and more stable footing. A committee appointed for the purpose of examining measures, weights, and coins, had, in a report of the 16th of May, 1866, stated as its firm conviction that, at the next reform of coinage in the United States of America, the question would be to invent a system suited and adaptable to all civilized nations. The next year an ardent partisan of the international coinage, Mr. Ruggles, was sent to the conference at Paris as a deputy of the United States, and urged there with great warmth the adoption of the franc-system as the basis for an international coinage, and held forth the importance of speedy and energetic measures to carry into effect such a change, which, according to his view, would be rendered more and more difficult by any further delay. In his statement to the conference's protocol on the 28th of June, 1867, as well as in his report respecting the proceedings of the conference to the Secretary of State, Mr. Seward, of November 7, 1867, Mr. Ruggles uttered himself decidedly in favor of the monetary system agreed upon by the committee, by means of a reduction of the American gold dollar to a par with the French 5-francs in gold, viz, from 1.6718 to 1.6129 grams of 0.900 fineness, or the lessening of  $3\frac{1}{2}$  per cent. Such a sacrifice on the side of America he found required with regard to the extraordinary importance which an international monetary system might exert on the development of the commercial connections.

This opinion found in the Congress a decided supporter in one of the most prominent statesmen, Senator Sherman, who presented a bill on this subject in the Senate on the 6th of January, which was afterward slightly modified on the 9th of June, 1868. Of the letters exchanged between Mr. Sherman and Mr. Ruggles, and the views therein expressed, we can see that they were persuaded of the possibility of a co-operation of general opinion in America for the system of the conference, and that the Congress, according to their opinion, was so much disposed for the adoption of an international coinage that it would fairly consider any practica-



project on this subject. The bill of Mr. Sherman recommended the stamping of the 5-dollar pieces to similarity with 25 francs in alloy as well as in weight and size, and the other coins in due proportion thereafter. This coin should be a legal currency in all payments, with the exception of the already existing obligations of the United States, which were payable in gold. It was proposed, moreover, that at the cessation of the one-dollar, 5-cent, and 3-cent pieces, the other coins should be stamped to the fineness of 0.900, but in such a manner that the half-dollar piece contained only 11.6 grams of silver with a fineness of 0.900, which implies that the quantity of silver in these coins would be reduced to likeness with the quantity of fine silver in the corresponding French small money. The limit within which the American small money should be allowed to pass as a legal currency at payments was proposed to be the same as the French small money, or 10 dollars=50 francs. This proposition of Mr. Sherman met with the approval of the majority of the Committee on Finance, which alleged as their chief motive for the participation of the United States of America in the international monetary system that the United States, as a gold-producing country, had the greatest interest in the removal of all hinderances for the free employment of gold; that the United States, as a young, and, therefore, yet loan-seeking nation, had the greatest interest to regulate its money in conformity with the other peoples, and thereby free itself from the expenses following upon the exchange or restamping of coin, which, at present, causes losses to debtors owing money to foreign countries; that the United States just at this moment had the greatest advantage to gain through a change in the monetary system, because the quantity of gold now minted was reduced to a minimum, and the costs for a recoinage, therefore, would be less now than ever. The report to the House of Representatives was accompanied, however, by a reservation from the minority of the committee which openly displayed a great unwillingness to any similar change, and dissuasively opposed the presented project.

Mr. Sherman's bill of January 26 was returned to the Congress in the beginning of June, but the question was left undecided. Shortly afterward, on the 21st of June, 1868, one of the more influential members of the Congress, Mr. Kelley, brought in a bill concerning the adoption of a coin which should be better adapted than all others to the wants of the different peoples as an international means of exchange. He proceeded from the view unanimously rejected at the conference in 1867, that such a means might be found by the adoption of a thoroughly new monetary system, and declared that the international coinage ought to be brought in the closest conformity with the metric-weight system, and proposed that the new gold coin of the United States for the nominal value of each dollar should weigh  $1\frac{1}{2}$  grams of gold to a fineness of 0.900, or contain  $1\frac{1}{2}$  grams of fine gold; that this gold coin should be valid as a legal currency at payments from the 1st of January, 1869, (1870,) in the United States, with the ratio that 1,000 dollars of the old coin should be equal to 1,003 of the new one; that silver coins of half a dollar and less should be stamped to 0.900 fineness, and to a weight of 25 grams for the nominal value of each dollar, but only be received at payments in amounts not exceeding 10 dollars; and finally, that the fineness and weights of both gold and silver coins should be *fixed* in grams.

But this project had no better fortune than any of the foregoing, and did not meet with the approval of the Congress; perhaps, also, that the political conflict between the then President and the Congress had its share in the adjournment of the question. The opinion of Mr. Bout-

well, the new minister of finance, has not been declared, but, according to the information obtained from the Swedish legation in Washington, he is reported to be inclined for the project of Mr. Kelley, which has lately been recommended, with some modifications, in a work of Mr. Elliott,\* who is a chief of bureau in the Department of Boutwell. The bill of Mr. Elliott has likewise been supported by the American Association for the Advancement of Science, during its meeting in August, 1869, and the views therein maintained had been beforehand set forth by the American Statistical Association, which, in February, 1866, insisted upon the adoption of the metric measure and weight system, and of a coin that would easily assimilate with the metric system. This petition of the Statistical Association had been delivered several months before the project of Mr. Kelley. It was handed into the Senate by Mr. Sumner, and to the House of Representatives by Mr. S. Hooper. The project of Mr. Kelley was also laid before the Congress in 1869, and will probably also be taken into consideration this year, (1870.) But the partisans of the franc system and the project of the conference at Paris have, during the last year, won a considerable re-enforcement to the Senator, Mr. Sumner, the same whom we above stated had handed in the petition of the Statistical Association about a metric system. On April 2, 1869, he brought in a bill to the Senate, in which he maintained, as Mr. Sherman had done before, the reduction of the 5-dollar piece in conformity with the 25 francs. It appears, therefore, very likely that a contest will arise between the adherents of the metric and the French monetary system.

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Since the foregoing report was drawn up the committee received a writing from the Department of State in the United States, dated June 13, 1870, founded upon the fact that the Senate had requested the President to enter into correspondence with Great Britain and the other foreign powers, with the object of promoting the adoption of a common unit and standard of coinage as a basis for an international monetary system.

[Here follows a synopsis of the contents of the communication from the Department of State.]

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The views of the committee respecting the course which ought to be pursued in order to effect an assimilation in the coinage matters of the different peoples, answering the purpose of an international coin, have not undergone any change in consequence of the project here detailed. The committee is convinced, therefore, that the suggested changes would necessarily cause several complications and sacrifices, without any corresponding advantages for the international exchanges of the different peoples, and that the proposed changes would not lead to such advantages as every separate people seeks through a national monetary system.

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[The following is a statement of the regulations respecting the coinage of Sweden which are recommended by the committee to be in due time adopted and sanctioned by the Diet and the King.]

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\* Suggestions, &c., by E. B. Elliott.



*Law respecting the coinage of the kingdom.*

## A.—GENERAL REGULATIONS.

## § 1.

SECTION 1. Gold shall be the only standard of valuation, and consequently form the basis of the coinage of the kingdom.

SEC. 2. The unit of coin shall be termed carolin. Its signification as a measure of value is determined thereby, that thirty-one carolin contain ninety French grams of fine gold.

SEC. 3. The unit of calculation shall be the tenth part of the carolin, and be termed franc. The hundredth part of the franc is termed cent.

## B.—ON THE COINAGE.

## § 2.

The gold coin, which shall be the only real coin of the kingdom, shall be fabricated and stamped at the mint office in the following pieces, viz: One carolin, or 10 francs; two and a half carolin, or 25 francs; five carolin, or 50 francs; ten carolin, or 100 francs. Money-pieces of less value than one carolin may not be stamped of gold.

## § 3.

Gold coin shall contain 900 parts of fine gold, and 100 parts of copper, which alloy is termed the coinage-gold.

## § 4.

Six hundred and eighty-three ort, or six skålpund, eighty-three ort of the coinage-gold, shall be coined to nine hundred carolin, and, consequently, to nine hundred coin-pieces of one carolin, three hundred and sixty coin-pieces of two and a half carolin, a hundred and eighty coin-pieces of five carolin, ninety coin-pieces of ten carolin.

## § 5.

The "remedium" [allowance] of alloy in coin-pieces of gold may be two thousandths above or below the standard alloy.

The "remedium" [allowance] of weight in the coin-pieces, may be of one or two and a half carolin, two thousandths; of higher value, one thousandth, above or below the standard weight.

## § 6.

Of gold delivered up for coinage, no deduction under name of coinage duty may take place, nor any coinage-duty enter as a part of the coin's stamp value.

## § 7.

It depends on His Majesty to decide and ordain whether a duty called coinage expenses shall be paid by those who bring in gold for coinage.

According to the regulations in existence, a duty shall be paid for the separation of gold which is unmalleable.

## § 8.

Silver is to be coined only as a means of exchange, or small money, of which pieces are coined at the mint to the following nominal value, viz: Two franc, fifty cent; one franc, twenty-five cent.

## § 9.

Small money of silver shall contain 750 parts of fine silver and 250 parts of copper, which alloy is called coinage-silver.

## § 10.

A skälpund [pound] of coinage-silver shall be coined to the nominal value of eighty franc, and, accordingly, to forty coin-pieces of two franc, eighty coin-pieces of one franc, a hundred and sixty coin-pieces of fifty cent, three hundred and twenty coin-pieces of twenty-five cent.

## § 11.

The remedium [allowance] in alloy of silver coin-pieces may be three thousandths above or below the standard alloy.

The remedium in weight may be in coin-pieces of one or two franc, five thousandths; fifty cent, seven thousandths; twenty-five cent, ten thousandths, above or below the standard weight.

## § 12.

Small money of copper are coined and stamped at the mint to the following value, viz: Ten cent, five cent, three cent, one cent.

## § 13.

Small money of copper shall contain 950 parts of copper, 40 parts of tin, and 10 parts of zinc; which alloy is called coinage-copper.

## § 14.

A skälpund [pound] coinage-copper shall be coined in forty coin-pieces of ten cent, eighty coin-pieces of five cent, a hundred coin-pieces of three cent, three hundred coin-pieces of one cent.

## § 15.

The remedium [allowance] for copper coins may be of copper, one per cent., and of both tin and zinc, one-half per cent. of the weight of the coin-piece, above or below the standard of each metal contained in the same.

## § 16.

Small money of silver and copper may be coined only as on account of the government.

## § 17.

Concerning the stamps and the diameters of the coin-pieces, and what more may pertain to their outward form, special regulations will be issued.

*Memorandum of references to correspondence heretofore submitted to Congress.*

Circular from Department of State to certain ministers of the United States in Europe.—(Diplomatic correspondence, 1870, pp. 240 to 251.)

Mr. Bancroft to Mr. Fish, No. 196, July 2, 1870.—Diplomatic correspondence, 1870, pp. 251 to 253. (Germany.)

Mr. Rublee to Mr. Fish, No. 48, May 25, 1871.—Diplomatic correspondence, 1871, pp. —. (Switzerland.)